Claims

What is claimed is:

1. A method of market making in an asset trading system, comprising the steps of:

   (a) receiving asset price data;

   (b) receiving current system position information;

   (c) receiving quote request information;

   (d) storing said received asset price data, said received current system position information, and said received quote request information in a computer-readable medium;

   (e) calculating target position information for each of one or more trading models;

   (f) storing said calculated target position information in a computer-readable medium; and

   (g) calculating a bid/ask quote in response to said received quote request information, said calculation of a bid/ask quote being based on said asset price data, said quote request information, said current system position information, and said target position information.

2. A method as in claim 1, wherein each of said one or more trading models comprises:

   (a) a price collector component;

   (b) a price filter component;

   (c) a price database component;

   (d) a gearing calculator component;

   (e) a deal acceptor component;

   (f) an opportunity catcher component; and

   (g) a book-keeper component.

3. A method as in claim 1, wherein said calculation of a bid/ask quote is based on a weighted sum of positions of said trading models.

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4. A method as in claim 1, wherein said calculation of a bid/ask quote is based on a hedging method.

5. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a weighted sum of said trading model positions.

6. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a total exposure from said trading model positions.

7. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a total amount of home currency appearing in all open positions.

8. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating an out-of-equilibrium exposure.

9. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a new potential net exposure.

10. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating an equilibrium position.

11. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating boundaries of possible exposures.

12. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating values for a pair of quoting functions.

13. A method as in claim 12, wherein said quoting functions are odd polynomial functions.

14. A method as in claim 12, wherein said quoting functions are tangent functions.

15. A method as in claim 12, wherein said quoting functions are stepwise linear functions.

16. A method as in claim 12, wherein said quoting functions are inverse sigmoid functions.

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17. A method as in claim 12, wherein said quoting functions are combinations of odd polynomial functions, tangent functions, stepwise linear functions, and inverse sigmoid functions, and wherein said combinations may comprise less than all four types of functions.

18. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating an average price and an average spread.

19. A method as in claim 4, wherein said asset is a currency, and wherein said hedging method comprises the steps of:

(a) calculating a weighted sum of said trading model positions;

(b) calculating a total exposure from said trading model positions;

(c) calculating a total amount of home currency appearing in all open positions;

(d) calculating an out-of-equilibrium exposure;

(e) calculating a new potential net exposure;

(f) calculating an equilibrium position;

(g) calculating boundaries of possible exposures;

(h) calculating values for a pair of quoting functions; and

(i) calculating an average price and an average spread.

20. Computer software, stored in a computer-readable medium, for market making in an asset trading system, comprising software for:

(a) receiving asset price data;

(b) receiving current system position information;

(c) receiving quote request information;

(d) storing said received asset price data, said received current system position information, and said received quote request information in a computer-readable medium;

(e) calculating target position information for each of one or more trading models;

(f) storing said calculated target position information in a computer-readable medium; and

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(g) calculating a bid/ask quote in response to said received quote request information, said calculation of a bid/ask quote being based on said asset price data, said quote request information, said current system position information, and said target position information.

21. Computer software as in claim 20, wherein each of said one or more trading models comprises:

(a) a price collector component;

(b) a price filter component;

(c) a price database component;

(d) a gearing calculator component;

(e) a deal acceptor component;

(f) an opportunity catcher component; and

(g) a book-keeper component.

22. Computer software as in claim 20, wherein said calculation of a bid/ask quote is based on a weighted sum of positions of said trading models.

23. Computer software as in claim 20, wherein said calculation of a bid/ask quote is performed by hedging software based on a hedging method.

24. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a weighted sum of said trading model positions.

25. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a total exposure from said trading model positions.

26. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a total amount of home currency appearing in all open positions.

27. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating an out-of-equilibrium exposure.

28. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating a new potential net exposure.

29. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating an equilibrium position.

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30. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating boundaries of possible exposures.

31. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating values for a pair of quoting functions.

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32. Computer software as in claim 31, wherein said quoting functions are odd polynomial functions.

33. Computer software as in claim 31, wherein said quoting functions are tangent functions.

34. Computer software as in claim 31, wherein said quoting functions are stepwise linear functions.

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35. Computer software as in claim 31, wherein said quoting functions are inverse sigmoid functions.

36. Computer software as in claim 31, wherein said quoting functions are combinations of odd polynomial functions, tangent functions, stepwise linear functions, and inverse sigmoid functions, and wherein said combinations may comprise less than all four types of functions.

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37. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the step of calculating an average price and an average spread.

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38. Computer software as in claim 23, wherein said asset is a currency, and wherein said hedging method comprises the steps of:

(a) calculating a weighted sum of said trading model positions;

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(b) calculating a total exposure from said trading model positions;

(c) calculating a total amount of home currency appearing in all open positions;

(d) calculating an out-of-equilibrium exposure;

(e) calculating a new potential net exposure;

5   (f) calculating an equilibrium position;

(g) calculating boundaries of possible exposures;

(h) calculating values for a pair of quoting functions; and

(i) calculating an average price and an average spread.